

SECTIONAL ANALYSIS OF A PROPOSED BILL TO  
AMEND THE CENTRAL INTELLIGENCE AGENCY ACT  
OF 1949, AS AMENDED, AND FOR OTHER PURPOSES

OGC Has Reviewed

SECTION 1.

Under Section 3(a) of the Central Intelligence Agency Act of 1949 the Agency is authorized to exercise certain procurement authorities contained in the Armed Services Procurement Act of 1947. The specific sections of the Armed Services Procurement Act, the authorities of which CIA was authorized to exercise, were incorporated by reference in Section 3(a) of the CIA Act of 1949. Since passage of the CIA Act, additional functions have been assigned to the Agency. This, and added experience, indicate the need to exercise other authorities contained in the Armed Services Procurement Act of 1947.

Under Section 2(c) of the Procurement Act, the Armed Services may negotiate purchases and contracts without advertising in seventeen listed circumstances. The Agency is authorized by Section 3(a) of the CIA Act to negotiate in ten of these circumstances. The Logistics Office has requested that the remaining negotiation authorities of Section 2(c) be given this Agency.

This increase in Agency negotiation authorities, to make them the same as those of the Armed Services, would be accomplished by modifying Section 3(a) of the CIA Act to authorize the Agency to exercise all the authorities contained in Section 2(c) of the Armed Services Procurement Act.

The Agency has substantial and vitally necessary programs in fields where research and development, standardization of equipment and

provision of new or stand-by production facilities is a necessity. The negotiation authorities contained in Sections 2(c) (11), (13), (14), and (16) of the Armed Services Procurement Act are requested to facilitate this work.

In addition, in the field of procurement the Agency faces generally all the problems encountered by the Armed Services although in some cases only to a minor degree. For this reason it is felt appropriate to request inclusion of the negotiation authorities in Sections 2(c) (8) and (9) of the Armed Services Procurement Act as these circumstances are actually encountered although they were not foreseen at the time the Central Intelligence Agency Act of 1949 was enacted.

Medical facilities are provided our personnel in certain necessary and legally allowable circumstances. As indicated by Section 2(c) (7) of the Armed Services Procurement Act, there should be authority to purchase these by negotiation, since considerations of quality and exact composition often must outweigh a small difference in price.

To further contribute to brevity and clarity, the reference to Sections 3 and 4 of the Armed Services Procurement Act has been deleted from Section 3(a) of the CIA Act. These are only two of a number of provisions in the Armed Services Procurement Act and elsewhere which apply to our procurement and are followed as a matter of course.

• Section 7 of the Armed Services Procurement Act, providing for delegations of authority and covering procedures for making determinations, is included in the CIA Act of 1949 as Sections 3(c) and (d). It is proposed

to delete these sections of the CIA Act and incorporate Section 7 by reference.

In fulfilling its unique mission, the Agency lets contracts from time to time for important and novel research and development work. Such contracts often must extend over a relatively long period in order to accomplish the desired result and do not accommodate themselves to fiscal year limitations. The proposed Section 3(b) authorizes such contracts for periods up to five years.

Certain procurement authorities can be exercised under the Armed Services Procurement Act and the CIA Act of 1949 only after a determination has been made by the "head of the Agency." The CIA Act of 1949 defines this term (previously referred to as "Agency head") to mean the Director, the Deputy Director, or the Executive of the Agency. At the time of the passage of the CIA Act, the Agency had an Executive who exercised many of the authorities currently under the jurisdiction of the Deputy Director (Support). It is, therefore, determined to redefine the term "head of the Agency" for the purposes of this section.

## SECTION 2.

The deletion of the words "its territories, and possessions," from Section 5(a) of the CIA Act of 1949 will enable CIA to equate certain benefits to its employees stationed in U. S. Territories and possessions with those paid to CIA employees in foreign areas. These benefits, not presently available to employees stationed in the Territories and possessions, are largely in the field of allowances, including quarters and transfer allowances. This amendment will correct an inequity which

now exists due to the fact that in certain U. S. possessions and Territories living costs are at times considerably higher than at foreign posts.

SECTION 3.

As presently worded Section 5(a)(1)(D) authorizes the Agency to pay the cost of storing furniture and household effects of an employee when he is assigned to a post where he cannot take such effects because of emergency conditions. This language is similar to the basic Foreign Service authority which has been modified in subsequent appropriation acts by deletion of the requirement for determination of emergency conditions. In many situations it is considerably less expensive for the Government to store effects than to ship them. This can occur without regard to emergency conditions. The experience of the Government generally has been such that the less restricted approach is taken in the proposed Overseas Allowances Act. This amendment will eliminate the requirement for determination of emergency conditions and will result in less over-all cost to the Government.

SECTION 4.

This proposed section will extend to CIA employees the same authorities granted to members of the Foreign Service of the United States by P. L. 22 of the 84th Congress, and its language is substantially identical to Section 11 of that Act. It will permit payment of one trip to a United States port of entry and return to his parent's post abroad during high school and another during college. The financial and morale problems which this section attempts to allay are serious, particularly for those employees with more than one child of school age. The cost of the

education and the travel within the United States will still have to be borne by the individual or his parents.

SECTION 5.

Section 5(a)(2) of P. L. 110 presently authorizes the Agency to charge expenses in connection with travel and transportation to the appropriation for the fiscal year current when any part of the travel of its personnel begins notwithstanding that the travel may not be completed during that current fiscal year. This authority now is limited to travel involving permanent change of station. The reasons underlying the original authority, i.e., ease of administration, appear to be equally applicable to temporary-duty travel and this amendment would authorize similar handling of travel expenses whether the travel involved permanent change of station or temporary duty.

SECTION 6.

This proposed section is substantially similar to Section 933(a) of the Foreign Service Act (P. L. 724), except that this authority which is applicable to U. S. citizens will also extend to aliens who are residents of the continental U. S. or its territories and possessions at the time of employment. This is designed to cover a unique problem for CIA, which in the nature of its operations must recruit a large number of highly qualified foreign technicians or specialists. This amendment would facilitate this recruitment and would also facilitate the re-Americanization of desirable aliens in this category.

An additional reason for this amendment is to bring this section up to date through the deletion of obsolete references (5 U.S.C. 30,

30(a), and 30(b) have been repealed) and to ensure that employees are eligible for return home after two years overseas, even though they may not have accumulated 30 days' leave during that period, as is possible under current law for certain classes of personnel.

#### SECTION 7.

This proposed section extends the statutory home leave provisions of the Annual and Sick Leave Act of 1951 to CIA employees stationed overseas, and thus places CIA employees on a similar basis to members of the Foreign Service in this regard. The phrases "and as it may hereafter be amended" are inserted in order to equate proposed CIA legislation to the Corbett Bill of 8 February 1955 (H. R. 3820). In the event that H. R. 3820 is passed, there would be no need for this proposed section of the CIA legislation.

#### SECTION 8.

Section 5(a)(5)(A) of the CIA Act of 1949 authorizes the Agency to pay the travel expenses of an officer or full-time employee of the Agency to a suitable hospital or clinic and return in the event of illness or injury to such person requiring hospitalization, if such employee is assigned abroad in a locality where a suitable medical facility does not exist. It further provides that if such person is too ill to travel unattended, the Agency may also pay the travel expenses of an attendant. The proposed amendment extends these authorities to members of the employee's family who accompany the employee on his assignment abroad and who incur illness or injury requiring hospitalization. Because of the location of some of the CIA posts of assignment, adequate medical

facilities are not always available. As the members of the employee's family find themselves in these localities solely because of the employee's employment with CIA, as adequate medical facilities are often lacking, and as the cost of travel for a dependent to adequate hospital facilities is often quite expensive, it is felt that it would be appropriate for the Agency to bear such costs.

SECTION 9.

This proposed section will amend existing CIA statutory authority to authorize the payment by CIA of the cost of treatment where illness or injury requiring hospitalization has been incurred by a member of the family accompanying an officer or full time employee of CIA on assignment outside the continental United States. However, payment will be made only where such illness or injury occurs through circumstances directly related to the duties or duty station of such officer or employee. This section establishes a criterion for these dependent benefits in requiring a causal connection between the illness or injury and the place and nature of the employee's assignment. A considerable number of CIA employees and their families are located in areas of the world where serious diseases such as polio, acute hepatitis and tuberculosis are endemic. Treatment of the nature herein proposed is available for the families of military personnel stationed abroad and failure to provide similar treatment for CIA personnel has been a handicap in recruiting for and assigning of key personnel to many critical areas of the world. These same considerations apply with respect to the proposed amendment in Section 8.

SECTION 10.

Section 5(a)(5)(D) of the CIA Act of 1949, as presently worded, grants substantially the same authorities providing physical examinations and inoculations to Agency employees as were granted to employees of the Foreign Service under Section 943 of the Foreign Service Act of 1946. Section 12 of the Foreign Service Act Amendments of 1955 authorizes the administration of physical examinations and inoculations to dependents although in the past this has been done in practice. There had been some concern that existing law did not clearly authorize the practice; therefore, this amendment was considered a technical clarification of the existing authority. The proposed amendment to Section 5(a)(5)(D) accomplishes the same purpose.

SECTION 11.

This new provision will allow the extension of certain medical benefits to CIA employees who are assigned abroad on temporary duty on the same basis as to those on permanent duty. The possibility of line-of-duty illness or injury is equal in both cases. It will also provide for the Agency to pay the cost of preparing and transporting the remains of a CIA employee who dies while on temporary-duty status abroad, as is presently provided for those who die while on permanent duty overseas. The proposed amendment will thus equalize benefits in this category for CIA and Foreign Service personnel. It had been originally intended that they would be equal, but the present language of Section 5(a) of P. L. 110 expressly restricts the coverage of such benefits to personnel assigned to permanent-duty stations overseas. There is no such restriction in



Foreign Service legislation, and these benefits are presently available to all such personnel irrespective of whether they are in a temporary- or permanent-duty status.

SECTION 12.

Sections 901(1) and 901(2) of the Foreign Service Act of 1946 were incorporated by reference into Section 5(b) of the Central Intelligence Agency Act of 1949. Since that time, Section 901(2) of the Foreign Service Act has been amended, and there is a possibility of further amendment in the proposed Overseas Allowances Act. This proposed language brings CIA authority regarding allowances in line with existing or proposed provisions in other legislation. In addition to the provision of allowances there has been included as a new subsection 5(b)(3) basic authority for the Agency to pay post differentials. The Foreign Service Act, as amended, has been used as the principal model.

SECTION 13.

The existing law now provides that Foreign Service personnel are entitled to exclude from gross income for income tax purposes the various allowances authorized them under the Foreign Service Act. It is desirable that the Agency have similar authority in view of the fact that the provisions of this proposed bill will establish separate and basic authority for the Agency to pay similar allowances. In the proposed Overseas Allowances Act the law relating to exclusion for tax purposes of allowances received by other Government employees is proposed to be amended to provide only that allowances received under the provisions of that Act would receive benefit of exclusion. Therefore, it is desirable that the Agency receive

its own authority in this field if its employees are to enjoy the same tax treatment as all other Government employees abroad.

SECTION 14

This proposed amendment authorizes CIA to pay a death gratuity of \$1,000 to the survivor of an Agency employee, immediately upon official notification of death.

The need for such a payment arises from the unusual security requirements imposed upon Agency personnel, which in turn cause certain inequities to the survivors by causing delays in receiving the monetary benefits to which such survivors would normally be entitled.

Acquisition of existing death benefits, provided by the Civil Service Retirement Act of 1920, as amended by the Federal Employees Compensation Act of 1916, as amended, and by commercial insurance, is contingent upon compliance with certain administrative requirements. The primary purpose of the Retirement Act is to supply a subsistence fund over a period of years and not to alleviate the immediate financial burdens attendant upon the death of a breadwinner. The death gratuity is aimed at the latter. In normal Government employment the facts and records necessary to effect fairly rapid payment of claims or benefits may be made available by the agencies concerned. In the case of CIA, security factors inherent in the intelligence function often cause inordinate but unavoidable delays to arise in the acquisition, processing, and review of data required to prove the claims. It is frequently impossible to supply the complete information necessary to substantiate the claims to the Civil Service Commission or Bureau of Employees Compensation without jeopardizing intelligence sources. As a result the survivors of

CIA employees are often at a disadvantage, particularly during the period immediately following the employee's death, when ready cash is urgently needed to tide over current and accrued obligations and meet emergency needs.

A survey of CIA death cases in 1952-1953 indicates that the settlement of decedent's accounts with the Agency has taken from 1 to 10 months, with the average running approximately 3-1/2 months. Leave records and financial accounts must be settled before a claim for benefits may be submitted. Delays have been particularly apparent in connection with accounts which must be returned from overseas.

Precedent for the payment of death gratuities exists in the military services, which have been authorized to pay a death gratuity since 1908. This gratuity consists of an amount equal to six months' pay at the rate received by the officer or enlisted man at time of death.

During the past three years approximately 18 employees have died each year. This would represent an average yearly cost of \$18,000 to the Agency. The cost of administering this program would be negligible, as death gratuity payments would involve a minimum of administrative procedures.

#### SECTION 15.

Under present statutory authority, CIA is authorized to employ 15 retired officers of the armed services, whose employment by the Federal Government would be otherwise barred by other statutory limitations on the employment of such officers. This proposed amendment

would raise the number of such officers who could be employed by CIA from 15 to 35. It was pointed out in the report of the Clark Committee, and this Agency concurs in its conclusion, that increased use should be made, if possible, of the talents of retired military officers whose ability and experience fit them for the types of work done by this Agency.

SECTION 16.

Section 3648 of the Revised Statutes provides that there shall be no advance of public money unless authorized by the appropriation concerned or by law, or by certain stated exceptions in Section 3648; it provides further that in contracts for the performance of services or the delivery of articles of any description for the use of the United States, payment shall not exceed the value of such service or article delivered previous to such payment. This provision works a hardship in certain foreign countries, whose laws or customs require advance payments, particularly of rent. Frequent exceptions have been made to this provision of law; e.g., for payments made for the Bureau of Customs in foreign countries (31 U.S.C. 529 b), for the enforcement of customs and narcotics laws (31 U.S.C. 529 f), the Office of Scientific Research and Development (31 U.S.C. 529 h), and for advance payments of office rent in foreign countries by the Bureau of Foreign and Domestic Commerce. This statute is also specifically waived for the armed services, and the Department of State has acquired an exception in its current Appropriation Act (P. L. 133 of 7 July 1955).

SECTION 17.

This proposed section provides a retirement standard for CIA personnel within the framework of the Civil Service Retirement Act.

It provides that for the purpose of computing eligibility for retirement and the amount of the annuity to be received, each year of service abroad as an employee of CIA shall be credited as one and a half years of service, and each such year of service abroad shall serve to lower the retirement ages prescribed in the Civil Service Retirement Act by six months. It is also provided that voluntary retirement shall not be allowed for such employee until he has reached the age of 50. This section also provides that the annuities payable under the Retirement Act shall not be reduced because of the lowering of the annuitant's retirement age under this section. CIA feels that retirement benefits should not accrue to its employees merely because of employment with the Agency. It feels that these benefits should arise primarily because of overseas service with the Agency. Although there is no exact precedent for this proposed amendment, the retirement provisions of the Foreign Service Act of 1946, and of 5 U.S.C. 691(d) with respect to certain investigatory personnel, are similar.

SECTION 18.

This provision corrects a typographical error in Section 10(a)(1) of the Central Intelligence Agency Act of 1949. The authority which was intended to be granted by this clause was the authority to pay claims under the Federal Tort Claims Act (Chapter 171), but the chapter number was omitted from the final printed versions of the bill as passed.

Legal  
(56)

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 3 of the Act entitled the Central Intelligence Agency Act of 1949, approved June 20, 1949, as amended (63 Stat. 200-50 U.S.C. 403a) (hereinafter referred to as "such Act"), is amended to read as follows:

"(a) In the performance of its functions, the Central Intelligence Agency is authorized to exercise the authorities contained in sections 2(c), 5, 6, 7, and 10 of the Armed Services Procurement Act of 1947, approved Feb. 19, 1948, as amended (62 Stat. 21, 41 U.S.C. 151).

"(b) Contracts of the Agency for services and use of facilities for research or development may be for a term not to exceed five years, and may be extended for an additional period not to exceed five years, subject to the availability of appropriations therefor.

"(c) For purposes of this section, the term "agency head" shall mean the Director and Deputy Director of Central Intelligence and the Deputy Directors of the Agency."

SECTION 2. The first sentence of Section 5(a) of such Act is amended by striking out the words "its territories, and possessions,".

SECTION 3. Section 5(a)(1)(d) of such Act is amended by deleting the words ", because of emergency conditions," and by adding after the semicolon the words "or when such storage would avoid the cost of transporting such effects from one location to another."

SECTION 4. Section 5(a)(1) of such Act is amended by inserting a semicolon in lieu of the period at the end of Section 5(a)(1)(F) and inserting a new subsection "(G)" which shall read as follows:

"(G) pay the travel expenses incurred by an officer or employee of the Agency who is assigned to a post outside the continental United States, in transporting dependents to and from United States ports of entry designated by the Agency, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education."

SECTION 5. Section 5(a)(2) of such Act is amended to read as follows:

"Charge expenses in connection with travel of personnel, their dependents, and transportation of their household goods and personal effects, to the appropriation for the fiscal year current when any part of either the travel or transportation begins pursuant to previously issued travel orders, notwithstanding the fact that such travel or transportation may not all be effected during such fiscal year, or the travel orders may have been issued during the prior fiscal year."

SECTION 6. Section 5(a)(3)(A) of such Act is amended to read as follows:

"(3)(A) Order to the continental United States or its Territories and possessions on leave of absence as provided by law, every officer and employee of the Agency who is a citizen, or an alien who was a resident of the continental United States or its Territories and possessions at time of employment, upon completion of two years' continuous service outside the continental United States, or as soon as possible thereafter."



SECTION 7. Section 5(a)(3) of such Act is amended by inserting at the end thereof a new subsection "(D)" which shall read as follows:

"(D) The provisions of Section 203(f) of the Act of October 30, 1951 (65 Stat. 679, 5 U.S.C. 2061), and as it may hereafter be amended, shall be applicable to officers and employees of the Agency, and such officers and employees shall be subject to the limitations as to the accumulation of leave applicable to officers and employees in the Foreign Service of the United States under the Department of State as provided in Sections 203(c) and (d) of the Act of October 30, 1951 (65 Stat. 679, 5 U.S.C. 2061), and as it may hereafter be amended."

SECTION 8. Section 5(a)(5)(A) of such act is amended to read as follows:

"(5)(A) In the event of illness or injury incurred while on assignment outside the continental United States, requiring hospitalization of an officer or full-time employee of the Agency or of a member of the family accompanying such officer or employee on such assignment, not the result of vicious habits, intemperance, or misconduct on the part of such persons, in a locality where there does not exist a suitable medical facility, pay the travel expenses of such officer or employee, or member of his family, by whatever means are considered appropriate

without regard to the Standardized Government Travel Regulations and Section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U.S.C. 73b), to the nearest locality where a suitable medical facility exists and on the recovery of such individual pay for the travel expenses of return to the post of duty of such officer or employee, or member of his family. If such officer or employee, or member of his family, is too ill to travel unattended, the Agency may also pay the travel expenses of an attendant;".

SECTION 9. Section 5(a)(5)(C) of such Act is amended to read as follows:

"(5)(C) Pay for the cost of treatment of illness or injury requiring hospitalization at a suitable medical facility, where such illness or injury is incurred --

"(i) in the line of duty by an officer or full time employee of the Agency while such person is assigned outside the continental United States, or

"(ii) by a member of the family accompanying such officer or employee on assignment outside the continental United States, where such illness or injury occurs through circumstances directly related to the duties or duty station of such officer or employee:

"Provided, That such illness or injury is not the result of vicious habits, intemperance, or misconduct on the part of such persons."

SECTION 10. Section 5(a)(5)(D) of such Act is amended by inserting "and their dependents" after the word "Agency" and again immediately before the period at the end of the Section.

SECTION 11. Section 5(a) of such Act is amended by inserting at the end thereof a new subsection "(C)" which shall read as follows:

"(8) Subsections (5)(A), (5)(C), (5)(D), and (6) of this Section are also applicable to officers and employees of the Agency assigned to temporary duty outside the continental United States."

SECTION 12. Section 5(b) of such Act is amended by striking out all of the words of the section after the word "Agency" and inserting in lieu thereof the following:

"(1) allowances, wherever Government owned or rented quarters are not available at a post outside the continental United States, for living quarters, heat, light, water, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Agency and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status:

(2) cost-of-living allowances whenever --

"(A) the cost of living at a post outside the continental United States is proportionately so high that an allowance is necessary to enable an officer or employee of the Agency at such post to carry on his work efficiently;

"(B) extraordinary and necessary expenses not otherwise compensated for are incurred by an officer or employee of the Agency incident to the establishment of his residence at any post of assignment outside the continental United States or at a post of assignment in the continental United States between assignments to posts outside the continental United States;

"(C) an allowance is necessary to assist an officer or employee of the Agency who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post outside the continental United States or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than at the post of his assignment;

"(D) extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Agency, by reason of his service outside the continental United States, in providing for adequate elementary and secondary education for his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation

between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method of providing such education, any allowance paid to him shall be reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under subsection 5(a)(1)(G):".

(3) a foreign post differential or a territorial post differential on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Additional compensation paid as a foreign post differential or territorial post differential shall not in any instance exceed 25 per centum of the rate of basic compensation.

SECTION 13. Section 5 of such Act is amended by inserting at the end thereof a new subsection (c) which shall read as follows:

"Amounts received as allowances pursuant to the provisions of section 5(b)(1) and (2) of this Act shall not be included in gross income, and shall be exempt from taxation under the Internal Revenue Code of 1954, as amended, and as it may hereafter be amended."

SECTION 14. Section 5 of such Act is amended by inserting at the end thereof a new subsection (d) which shall read as follows:

"(d)(1) Under such regulations as the Director may prescribe, the Agency shall have authority out of appropriations made available to it to pay the sum of \$1,000.00 as a death gratuity immediately upon official notification of the death of any officer or employee of the Agency. The payment of the death gratuity authorized by this subsection shall be in addition to other benefits to which the dependents or the estate of the deceased may be entitled under any other provision of law.

"(2) The death gratuity authorized by this subsection shall be paid to or for the living survivor or survivors of the deceased officer or employee designated by the officer or employee from one of the classes listed below or in the absence of any designation to the living survivor or survivors of such officer or employee first listed below.

"(A) Spouse.

"(B) Children (without regard to their age or marital status) in equal shares.

"(C) Any dependent or dependents of the deceased in equal shares.

"(D) Parents in equal shares.

"(E) Brothers and sisters (including those of the half blood and those through adoption) in equal shares.

"(3) If a survivor dies before receiving the amount to which entitled under this subsection, such amount shall be paid to the then living survivor or survivors first listed under subsection (d)(2).

"(4) The payments made under the provisions of this subsection shall not be assignable, shall be exempt from taxation, shall be exempt from the claims of creditors, including any claim of the United States, and shall not be subject to attachment, levy, or seizure by or under any legal or equitable process whatever either before or after receipt by the payee.

"(5) (A) No certifying or disbursing officer shall be liable for any amounts erroneously paid or overpaid under this subsection to a woman as a 'spouse' or to a person as a 'child' in the absence of fraud, gross negligence, or criminality on the part of such officer.

"(B) The Director may waive the recovery of any such erroneous payments or overpayments when such recovery would be against equity and good conscience.

"(C) The determination of the Director as to dependency under subsection (d)(2)(C) is conclusive upon the General Accounting Office."

SECTION 15. Section 6(f)(1) of such Act is amended by striking out "fifteen" and inserting in lieu thereof the following: "thirty-five".

SECTION 16. Section 6 of such Act is amended by the insertion of a semicolon in lieu of the period at the end of subsection "(f)" and by the addition of a new subsection "(g)" which shall read as follows:

"(g) Make payments without regard to section 3740 of the Revised Statutes (31 U.S.C. 529), when made - -

"(1) in compliance with the laws of foreign countries or their ministerial regulations, and

"(2) for rent in foreign countries for such period as may be necessary to accord with local custom."

SECTION 17. Such Act is amended by inserting a new Section 9 which shall read as follows:

"Section 9. (a) For the purpose of computing eligibility for retirement and the amount of the annuity under the Civil Service Retirement Act (Act of 22 May 1920, as amended, 5 U.S.C. 691) each year of service outside the continental United States as an employee of the Agency after 18 September 1947 shall be credited as one and one half years of service and each such year shall serve to lower the retirement ages prescribed in the Civil Service Retirement Act by six months: Provided, That voluntary retirement shall not be allowed until such persons shall have reached 50 years of age. Such additional credits shall be granted proportionately for fractional years of service.



"(b) No annuity paid under the Civil Service Retirement Act shall be reduced solely because the annuitant has retired at an age lowered in accordance with the provisions of subsection (a) of this Section. The base age provided by the Civil Service Retirement Act for computing a percentage reduction in annuities shall be reduced by the same amount as the reduction in retirement age made in accordance with subsection (a) of this Section."

SECTION 18. Section 10(a)(1) of such Act is amended by inserting "Chapter 171 of" immediately before "2<sup>d</sup> U.S.C."